



**ARIZONA STATE SENATE**  
***Fifty-Fifth Legislature, First Regular Session***

**AMENDED**  
**FACT SHEET FOR S.B. 1453**

school districts; aggregate expenditure limitation

Purpose

Conditioned on enactment of S.C.R. 1021, modifies the statutory factors the Economic Estimates Commission must use to determine the aggregate expenditure limitation for school districts.

Background

Article IX, Section 21 of the Arizona Constitution establishes the aggregate expenditure limitation for all school districts that limits total expenditures of local revenues to the FY 1980 spending level plus 10 percent, adjusted for inflation and enrollment. Before May 1 of each year, the Economic Estimates Commission must determine the aggregate expenditure limitation for all school districts for the following fiscal year ([Ariz. Const. art. 9 § 21](#)).

The State Board of Education (SBE) by November 1 of each year, must report the aggregate expenditures of local revenues for all school districts for the current year to the President of the Senate, Speaker of the House of Representatives and Chairperson of the Joint Legislative Budget Committee. If the aggregate expenditures of local revenues for all school districts exceeds the limit, the SBE must notify each school district of the amount by which it may have to reduce its expenditures of local revenue. The Legislature may authorize, by March 1st, current fiscal year expenditures in excess of the limitation upon a two-thirds vote in both chambers of the Legislature ([A.R.S. § 15-911](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Modifies the definition of *base limit* to be the total amount of expenditures of local revenues of all school districts in FY 2023, rather than in FY 1980, which is used to determine the aggregate expenditure limitation for school districts.
2. Requires, in calculating the aggregate expenditure limitation for all school districts, the Economic Estimates Commission to determine the:
  - a) aggregate student population of all school districts for the 2021-2022 school year, rather than for the 1978-1979 school year; and
  - b) estimated or actual gross domestic product price deflator for the 2021 calendar year, rather than for the 1978 calendar year.
3. Conditions the enactment of this legislation on the passage of the constitutional amendment in S.C.R. 1021 at the next general election.
4. Makes technical and conforming changes.
5. Becomes effective on the general effective date or later, subject to the provisions of the conditional enactment.

Amendments Adopted by Committee

- Makes a technical change.

Senate Action

ED                      2/9/21    DPA    8-0-0

Prepared by Senate Research  
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JO/gs